

**2001 ANNUAL REPORT ON
CONSUMER ASSISTANCE**



**MAINE PUBLIC UTILITIES COMMISSION
CONSUMER ASSISTANCE DIVISION**

ANNUAL REPORT ON CONSUMER ASSISTANCE 2001

**Consumer Assistance Division
Maine Public Utilities Commission**

**242 State Street
18 State House Station
Augusta, ME 04333-0018**

**800/452-4699 (V)
207/287-3831 (V)
800/457-1220 (TTY)
207/287-1039 (FAX)**

**maine.puc@state.me.us
www.state.me.us/mpuc**

TABLE OF CONTENTS

I. INTRODUCTION	1
II. THE YEAR IN REVIEW	1
III. CONSUMER CONTACTS	2
A. Consumer Complaints	2
B. Requests for Information	4
C. Requests for Winter Disconnection	4
D. Requests for Exemption.....	5
E. Violations of Commission Rules.....	5
IV. UTILITY COMPLAINT PROFILES	6
A. Competitive Electricity Providers.....	7
B. Electric Transmission and Distribution Utilities.....	7
1. Central Maine Power Company	7
2. Bangor Hydro-Electric Company	8
3. Maine Public Service Company.....	9
C. Telephone Utilities.....	9
1. Verizon.....	10
2. AT&T.....	11
3. MCI.....	11
4. Slamming.....	11
D. Natural Gas Utilities.....	12
E. Water Utilities.....	14
F. Common Carriers.....	14
V. RULEMAKING	14
A. Electric Lifeline Program.....	14
B. Electric Line Extensions	15
C. Revised Credit and Collection Requirements for Telecommunications Carriers.....	15
VI. EDUCATION AND OUTREACH	16
A. Consumer Bulletins	16
B. Brochures	18
C. Other Outreach Activities.....	18
VII. LOOKING FORWARD TO 2002	19
LIST OF FIGURES	
Figure 1: Total Consumer Complaints 1997-2001	2
Figure 2: Consumer Complaints 1997-2001 (by year).....	3
Figure 3: Consumer Complaints 1997-2001 (by utility type).....	3
Figure 4: Complaint Rates (by Utility Type).....	6
Figure 5: Electric Utility Complaint Rates.....	7
Figure 6: CMP Complaints Received (by Issue)	8
Figure 7: BHE Complaints Received (by Issue).....	8
Figure 8: MPS Complaints Received (by Issue)	9
Figure 9: Telephone Utility Complaint Rates.....	10
Figure 10: Verizon Complaints Received (by Issue).....	10
Figure 11: NUI Complaints Received (by Issue).....	13
LIST OF TABLES	
Table 1: Winter Disconnection Requests.....	5
Table 2: Number of Violations	5
Table 3: Slamming Complaints Received (by Carrier)	12
Table 4: Violations of Chapter 296 (by Carrier)	12
APPENDIX	
Utility Complaints Received in 2001	

I. INTRODUCTION

The Maine Public Utilities Commission (the “Commission”) is an independent agency created by the Maine Legislature to ensure safe, reasonable and adequate service at rates that are just and reasonable to consumers and public utilities. The Commission has jurisdiction over electric utilities, gas utilities, water utilities, telephone utilities, resellers of telephone services, and ferries in Casco Bay.

The Consumer Assistance Division (the “CAD”) is the Commission’s primary link with utility consumers. The CAD is charged with ensuring that consumers, utilities, and the public receive fair and equitable treatment through education, resolution of complaints, and evaluation of utility compliance with consumer protection rules. To promote understanding and prevent disputes, the CAD seeks to educate and inform consumers, utilities, and the public about utility-related consumer service issues, and consumer rights and responsibilities.

Duties of the CAD include responding to information requests, investigating and resolving disputes between consumers and utilities, assessing utility compliance with consumer-related statutes and Commission rules, proposing enforcement action to the Commission relating to the violation of Maine statutes and Commission rules by utilities, and screening requests from utilities seeking to disconnect gas or electric service in the winter. The CAD also assists utilities in designing and operating effective consumer service programs that are fair to both consumers and utilities. This report is a summary of the CAD’s activities in 2001.

II. THE YEAR IN REVIEW

In 2001, the CAD received 2,212 consumer complaints—the highest number of complaints in its history. This is a 34% increase over the 1,645 complaints received in 2000 and a 51% increase over the 1,464 complaints received in 1999. The primary reason for the increase was the large number of complaints received against telecommunications carriers, which accounted for nearly 60% of all complaints received by the CAD. Refer to Section III, Consumer Contacts, and Section IV, Utility Complaint Profiles for additional information on complaints received by the CAD in 2001.

In addition to investigating consumer complaints, the CAD’s other major activity in 2001 was participating in three rulemaking efforts. These rulemakings involved creation of a statewide low-income assistance plan, development of construction standards and ownership rules for electric line extensions, and credit and collection requirements for telecommunications carriers. Refer to Section V, Rulemaking, for more information.

III. CONSUMER CONTACTS

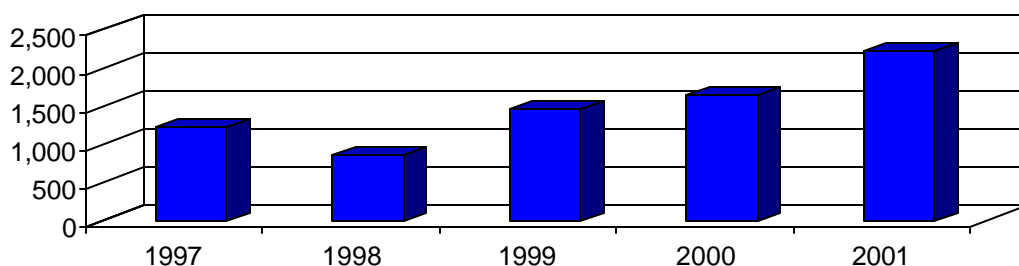
The CAD assisted 9,110 constituents in 2001. More than 95% of the calls received were answered live. Contacts included informational requests from ratepayers, mediation requests by residential and business consumers who had disputes with utilities, and requests by electric and gas utilities for authorization to disconnect consumers during the winter period. While the number of contacts decreased from the previous year (when many consumers called about electric restructuring), in 2001 the CAD received the highest number of complaints in its history.

A. Consumer Complaints

The CAD defines a complaint as a dispute between a utility and a consumer that the consumer has unsuccessfully attempted to resolve. Only when the consumer and utility cannot reach a mutually agreeable resolution will the CAD accept a complaint. Consumer complaints do not necessarily indicate that a utility has done something wrong. In some cases, consumers file complaints with the CAD even though the utility has made a reasonable attempt to resolve the dispute. The CAD will still attempt to mediate these cases, but if reasonable attempts were made by the utility to resolve the problem and the utility has followed its Terms and Conditions and Commission rules, the CAD may find in favor of the utility and not change the terms of the resolution originally proposed by the utility.

Complaints Received. As shown in Figure 1, the CAD received 2,212 consumer complaints in 2001. This is a 34% increase over the 1,645 complaints received in 2000 and a 51% increase over the 1,464 complaints received in 1999, and reflects a trend of increasing complaints from 1998 through 2001.

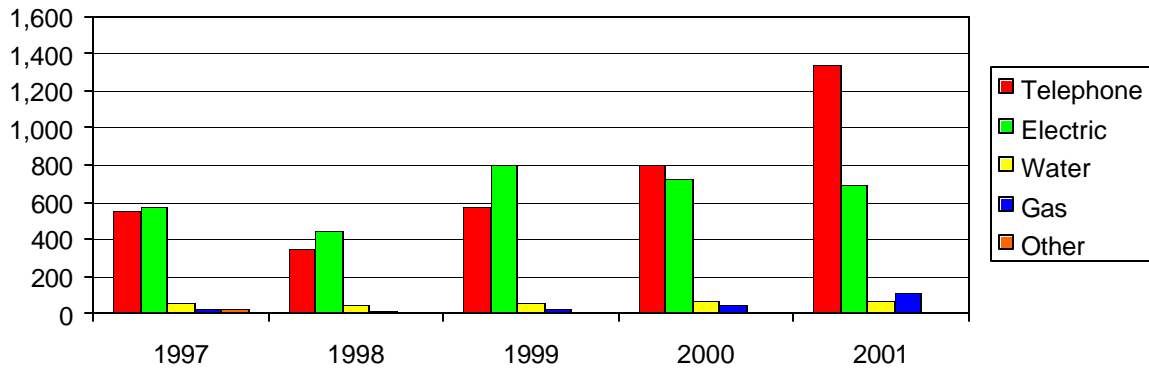
Figure 1: Total Consumer Complaints 1997-2001



As shown in Figure 2, the increase in complaints received in 2001 was due primarily to the large increase in complaints received against telecommunications carriers. The primary reason for this increase was the large number of complaints from customers who stated their telephone service was changed without their permission,

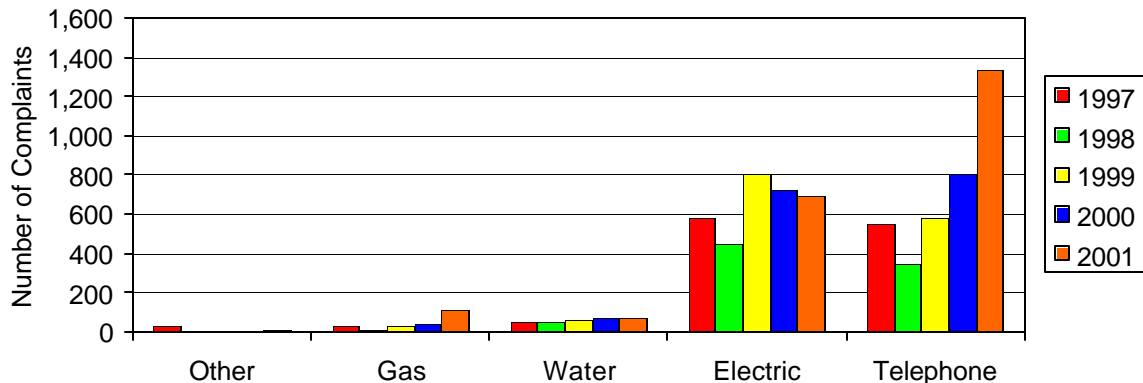
commonly referred to as “slamming.” Additional details on slamming complaints received in 2001 can be found in Section IV, Utility Complaint Profiles.

Figure 2: Consumer Complaints 1997-2001 (by year)



As shown in Figure 3, telecommunications complaints have increased each year for the past three years. By contrast, the number of complaints against electric utilities has decreased each year for the past three years. Telecommunications complaints accounted for 59% of the complaints received by the CAD in 2001. Complaints against electric utilities accounted for 33%. Additional details on the types of complaints received against specific utilities are discussed in Section IV, Utility Complaint Profiles.

Figure 3: Consumer Complaints 1997-2001 (by utility type)



Complaints Resolved. The CAD resolved 1,873 complaints in 2001, 21% more than in 2000 (1,544) and 42% more than in 1999 (1,322). The majority of complaints (79%) were resolved within 90 days of receipt. The increase in complaints resolved is due to the increase in complaints received as well as improvements in the CAD complaint handling process. To deal with the increasing number of complaints, the CAD created a process improvement team to streamline the intake and complaint resolution processes. The efficiencies identified by the team helped the CAD to increase its complaint resolution without an increase in staff, even while the number of complaints received increased in each successive month in 2001.

Abatements. As a result of complaint investigations completed in 2001, the CAD issued 468 decisions ordering almost \$250,000 in abatements to utility consumers. This amount is slightly higher than the \$223,000 abated in 224 decisions in 2000. The increase in abatements is due primarily to the higher number of complaints received in 2001 over 2000. The majority of the decisions in 2001 (419) returned \$116,230.30 to telephone utility consumers. Decisions in 22 electric cases returned \$125,752.44 to consumers, 11 water cases returned \$3,795.93, and 11 gas cases returned \$2,076.83.

Appeals of CAD Decisions. Appeals of CAD decisions are reviewed by the Commission's Legal Division and are decided by the Commission. Consumers appealed 10 CAD decisions in 2001. This is a 50% decrease from the 21 appeals filed in 2000. The decrease in appeals received during the past year is attributable to increased mediation of cases by CAD staff, and the CAD's emphasis in 2001 on improving the quality of its decision letters.

B. Requests for Information

Calls or letters in which the CAD provides information to a consumer are tracked as information contacts, as are requests by electric or gas utilities to disconnect a consumer during the winter period (November 15 to April 15). The CAD had 6,898 information contacts in 2001.

In 2001, consumers requested information from the CAD on utility billing practices, electric restructuring, recent Commission decisions and their impact on ratepayers, and ratepayer rights and responsibilities. Consumers asked the CAD for guidance on resolving disputes with utilities, and on what types of assistance are available to low-income consumers who are having trouble paying their bills.

C. Requests for Winter Disconnection

The CAD received 358 requests from utilities to disconnect consumers' gas or electric service during the winter of 2000-2001 (see Table 1). This is a 72% decrease from the 1,286 requests received during the winter of 1999-2000, and a 22% decrease from the 460 requests received during the winter of 1998-99. While the number of requests is significantly lower than last winter, it is consistent with the average number of requests received in past winter seasons. Of the 2000-2001 winter requests, 33% were granted. Requests granted typically involved services abandoned by consumers. The majority of requests denied were due to the CAD establishing a payment arrangement for the consumer pursuant to the winter disconnection rule, or consumers bringing their accounts current, thereby avoiding the need for disconnection.

Table 1: Winter Disconnection Requests

Utility	Total Received	Denied	Granted
Central Maine Power Company	296	195	101
Eastern Maine Electric Cooperative	43	33	10
Madison Electric Works	14	11	3
Matinicus Plantation Electric Co-op	5	2	3
Total	358	241	117

D. Requests for Exemption

The CAD reviews requests by utilities for exemptions from the Commission's consumer protection rules involving a single consumer. The CAD received 9 exemption requests in 2001, compared to 12 requests in 2000. Most of the requests involved a utility seeking permission to add a consumer's final bill to another consumer's account. Two requests were granted, one was denied, two were withdrawn, and four are still pending.

E. Violations of Commission Rules

In 2001, the CAD issued 154 citations to utilities for violations of consumer protection rules. (A single citation may involve several violations of Commission rules.) This is a significant increase over the 11 citations issued in 2000, and the 14 citations issued in 1999. Most of the citations in 2001 (54%) were for violations of Chapter 296, *Selection of Primary Interexchange and Local Exchange Carriers*. A significant number (44%) were for failure to comply with Chapter 81, *Residential Utility Service Standards for Credit and Collection Programs*. The majority of the Chapter 296 violations involved unauthorized changes of a consumer's telecommunications carrier, often referred to as "slamming." The majority of the Chapter 81 violations were due to improper disconnection procedures. Table 2 lists the utilities issued more than 5 violation citations in 2001. Refer to Section IV, Utility Complaint Profiles, for more information on violation citations.

Table 2: Number of Violations

Utility	Violations
AT&T	16
Central Maine Power Company	7
Log On America, Inc.	53
MCI	20
Northern Utilities	6
Verizon	15

IV. UTILITY COMPLAINT PROFILES

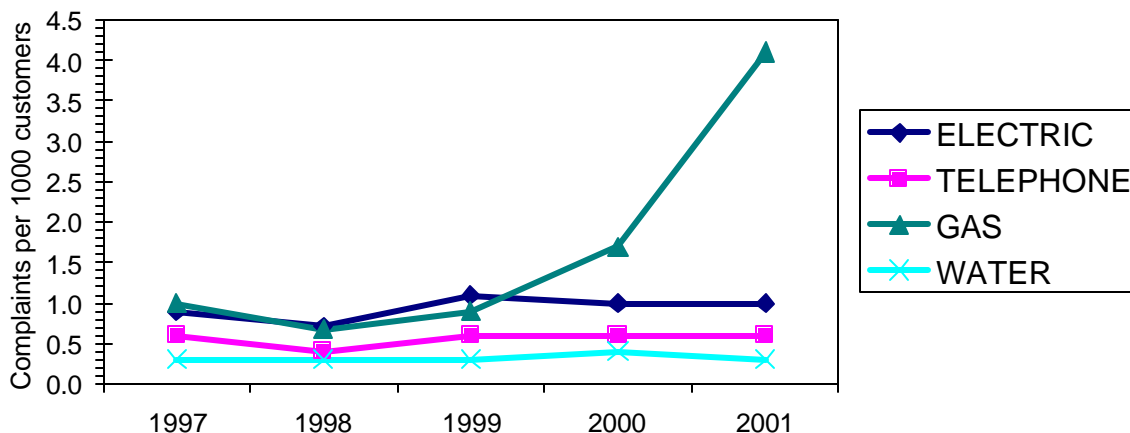
This section profiles the performance of Maine utilities with respect to consumer complaints received during the year. Complaints received by the CAD are used to assess the complaint handling performance of the major electric, gas, water, and telephone utilities. In nearly every case, the consumer has already contacted the company about the problem prior to contacting the CAD. Only slamming complaints are accepted when the consumer has not attempted to resolve the dispute directly with the utility.

The calculation of a consumer complaint rate (consumer complaints per 1,000 consumers) facilitates comparison among utilities of various sizes. The CAD has found that high consumer complaint rates or significant increases from one year to the next often indicate patterns and trends that should be investigated. In previous years, the CAD used the number of complaints resolved to calculate complaint rates. However, because the number of complaints received more accurately reflects a utility's performance, the number of complaints received is used to calculate the complaint ratio in this report and will be used in future years.

This section is organized by industry type. Information is provided on major utilities, as well as smaller utilities with a significant number of consumer complaints. The Appendix is a compilation of complaints received in 2001 against all utilities (except interexchange carriers) and the issues involved.

As shown in Figure 4, the complaint rate against natural gas utilities increased from 1.7 in 2000 to 4.1 in 2001. (See Subsection D for an explanation of this increase.) The telephone, electric and water utility complaint rates have remained relatively constant over the past four years. (Note: Telephone figures apply only to local exchange carriers. Complaint rates for interexchange carriers have not been calculated.) A discussion on the types of complaints received against each utility type follows.

Figure 4: Complaint Rates (by Utility Type)



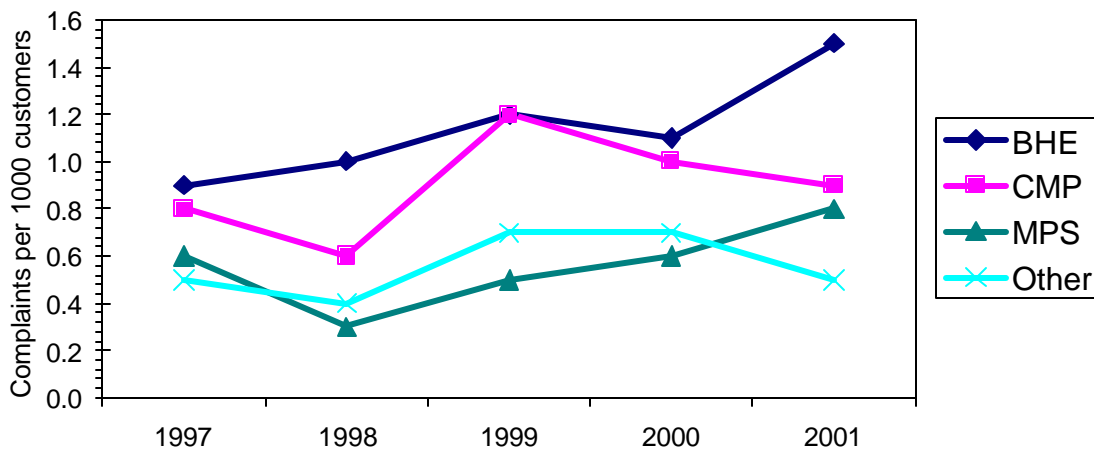
A. Competitive Electricity Providers

As of March 1, 2000, Maine's wholesale and retail electric supply markets were opened to competition. By the end of 2001, about 44% of Maine's electric load was served by competitive providers, up from 38% at the end of 2000. The majority of the large industrial consumers and almost half of the mid-sized consumers are served by competitive providers. Competitive providers, however, serve less than 1% of the small and residential consumers. The CAD did not receive any complaints in 2001 involving competitive electricity providers.

B. Electric Transmission and Distribution Utilities

Thirteen electric utilities provide transmission and distribution services to Maine consumers. Of these, three are investor-owned (Central Maine Power Company, Bangor Hydro-Electric Company, and Maine Public Service Company), and the remaining are consumer-owned. The CAD received 693 complaints against transmission and distribution utilities in 2001, a 5% decrease from the 728 received in 2000, and a 13% decrease from the 801 complaints received in 1999. Figure 5 shows a history of the complaint rates for the three investor-owned utilities. Additional details on complaints against these three utilities are also provided below. Complaint statistics for all electric utilities are summarized in the Appendix.

Figure 5: Electric Utility Complaint Rates

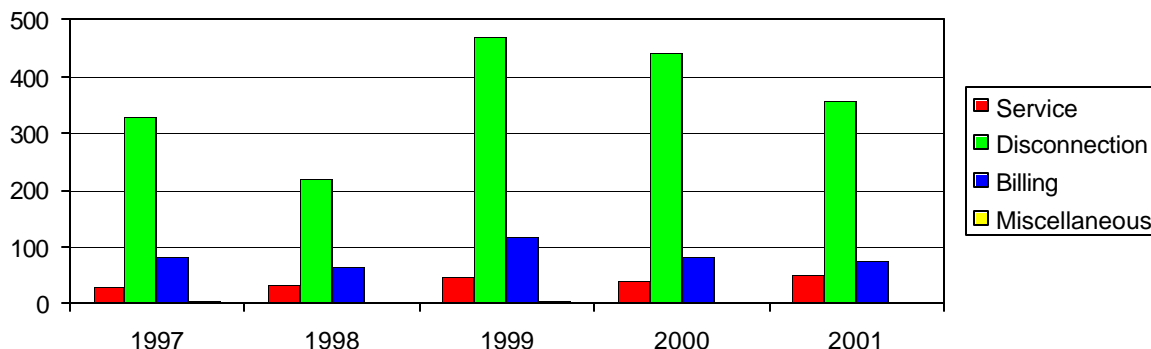


1. Central Maine Power Company

In 2001, the CAD received 482 complaints against Central Maine Power (CMP). This was a 15% decrease from the 566 complaints received in 2000, and a 24% decrease from the 637 complaints received in 1999. As a result, CMP's complaint rate has decreased each year for the past three years. In 2001, their complaint rate was 0.9 complaints per 1,000 consumers; in 2000, it was 1.0; and in 1999, it was 1.2.

As shown in Figure 6, CMP complaints related to billing and threatened or actual disconnection decreased each year for the past three years, while the number of service related complaints remained about the same.

Figure 6: CMP Complaints Received (by Issue)

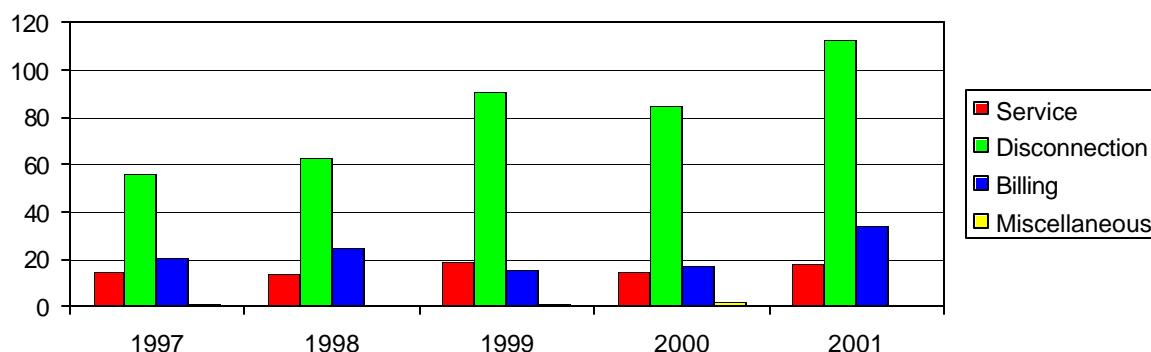


2. Bangor Hydro-Electric Company

In 2001, the CAD received 165 complaints against Bangor-Hydro Electric Company (BHE). This was a 39% increase over the 119 complaints received in 2000, and a 30% increase over the 127 complaints received in 1999. Likewise, BHE's complaint rate increased from 1999 to 2001. Its complaint rate in 2001 was 1.5 complaints per 1,000 consumers; in 2000, it was 1.1; and in 1999, it was 1.2.

As shown in Figure 7, BHE complaints related to billing and threatened or actual disconnection both increased in 2001, while the number of service related complaints remained about the same.

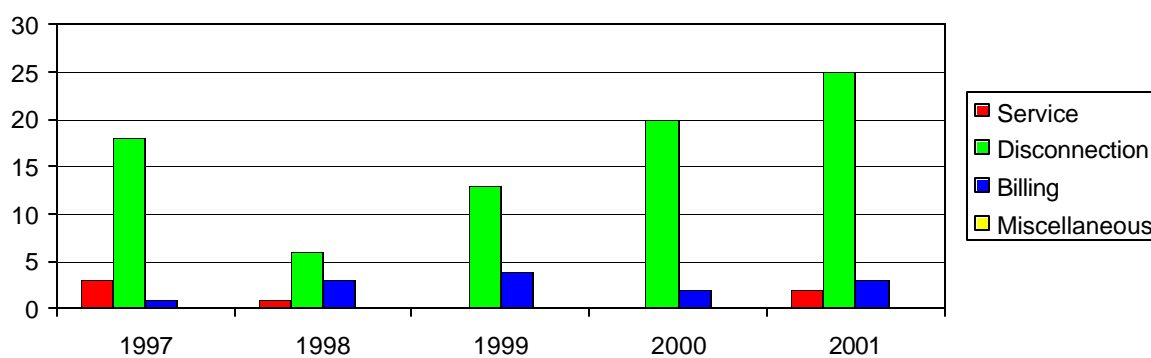
Figure 7: BHE Complaints Received (by Issue)



3. Maine Public Service Company

In 2001, the CAD received 30 complaints against Maine Public Service Company (MPS). This was a 36% increase over the 22 complaints received in 2000, and a 76% increase over the 17 complaints received in 1999. MPS's complaint rate has historically been the lowest of the investor owned utilities, but has increased each year for the past three years. MPS's complaint rate in 2001 was 0.8 complaints per 1,000 consumers, an increase over 2000 when the complaint rate was 0.6, and 1999, when the complaint rate was 0.5. As shown in Figure 8, the increase in complaint rate is due primarily to an increase in the number complaints related to threatened or actual disconnection.

Figure 8: MPS Complaints Received (by Issue)



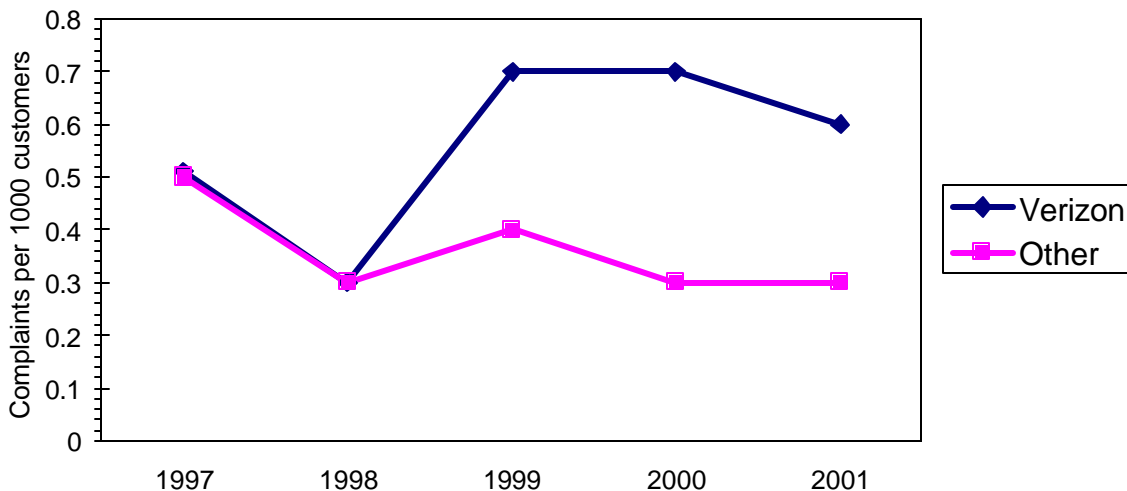
C. Telephone Utilities

The Commission has authorized 323 telephone companies to provide in-state toll service and 37 companies to compete in the local exchange market in Maine. The CAD received 419 complaints against local exchange carriers in 2001, a 3% decrease from 434 complaints in 2000, and a 5% decrease from 442 complaints in 1999. Though complaints received against local exchange carriers have decreased over the past three years, complaints received against interexchange carriers have increased 160% in the past year, from 323 in 2000 to 844 in 2001.

The majority of the telecommunications complaints concerned services provided by competitive local exchange carriers (CLECs) and alleged slamming by local or interexchange carriers. Complaints associated with CLECs primarily involved billing problems or problems associated with the conversion from LEC to CLEC service, while the slamming complaints involved unauthorized changes in local, intrastate, and interstate services.

While the CAD takes telecommunications complaints against all carriers, complaint rates have been calculated only for local exchange carriers. As shown in Figure 9, the complaint rate for all local exchange carriers has remained about the same for the past three years.

Figure 9: Telephone Utility Complaint Rates



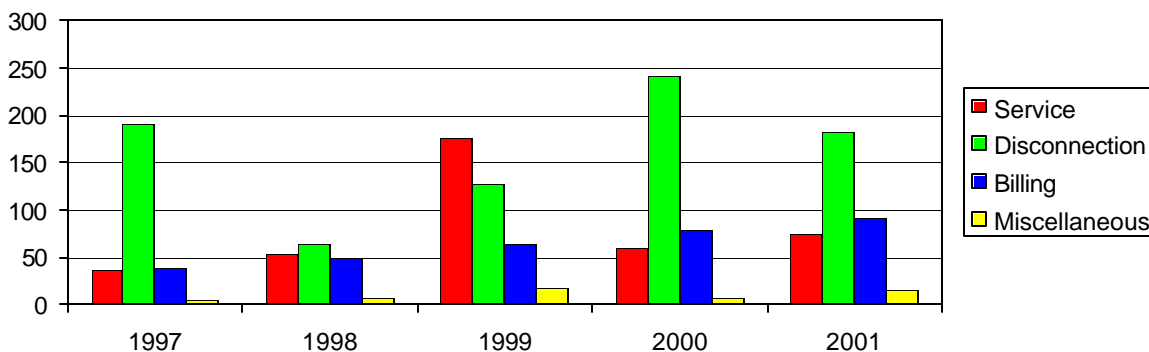
The following sections describe the types of complaints received and the complaint rates for the major carriers, as well as a discussion of the slamming complaints.

1. Verizon

In 2001, the CAD received 363 complaints against Verizon. This was a 6% decrease from the 385 complaints received in 2000 and the 386 complaints received in 1999. Verizon's complaint rate has remained relatively constant since 1999. In 2001, its complaint rate was 0.6 complaints per 1,000 consumers; and in 1999 and 2000 it was 0.7.

As shown in Figure 10, the number of billing complaints increased each of the past five years. Complaints of service problems increased slightly from 2000 to 2001, while complaints related to threatened or actual disconnection decreased.

Figure 10: Verizon Complaints Received (by Issue)



2. AT&T

In 2001, the CAD received 314 complaints against AT&T. This is almost double the 160 complaints received in 2000, and almost ten times the 32 complaints received in 1999. The increase in complaints is partially due to AT&T's failure to work with consumers to resolve their disputes and the inability of consumers to reach AT&T to discuss their concerns. Nearly 75% of the complaints received concerned billing problems, while 22% concerned unauthorized changes in telephone service (slamming).

The CAD worked closely with staff from the other New England states during 2001 to address the increase in complaints with AT&T. This joint effort resulted in AT&T's adoption of a new complaint resolution process. Maine and the other New England staff continue to work with AT&T to further improve its customer service.

3. MCI

In 2001, the CAD received 138 complaints against MCI. This is a 75% increase over the 79 complaints received in 2000, due largely to MCI's failure to work with consumer's to resolve their disputes and MCI's failure to provide notice to consumers of pending disconnections. Over 60% of the complaints received concerned billing problems, while 26% concerned unauthorized changes in telephone service.

4. Slamming

Consumers in Maine have the right to choose which company provides their local and long distance telephone service. Sometimes a change is made without the consumer's knowledge or consent. This is referred to as "slamming." Slamming is a violation of state and federal laws, as well as rules of the Maine Public Utilities Commission and the Federal Communications Commission (FCC).

In 2001, the CAD received 337 slamming complaints, almost five times as many as the 69 complaints received in 2000. This increase was due at least in part to the continued expansion of competition in the telecommunications industry, and to a decision by the Commission in November 2000 to become, under applicable FCC rules, the first contact for resolving all slamming complaints from Maine consumers, even those that may involve interstate jurisdiction.

Of the slamming complaints received in 2001, 75 alleged an unauthorized change of in-state services, 42 alleged an unauthorized change of out-of-state services, and 220 alleged an unauthorized change of both in-state and out-of-state services. Table 3 lists the telecommunication carriers against whom the CAD received five or more slamming complaints in 2001.

Table 3: Slamming Complaints Received (by Carrier)

Carrier	No. of Complaints
AT&T	54
Fairpoint Communications	5
Log On America, Inc.	50
MCI WorldCom	37
OneStar Communications	5
Qwest Communications	8
Sprint Communications	10
Talk America, Inc.	9
WebNet Communications	97
World Communications Satellite Systems	26

As a result of information obtained during the investigation of these complaints, the CAD cited violations of the Commission's slamming rule (Chapter 296) as a result of 76 consumer complaints. The violations involved either unauthorized changes in service or improper format of third party verifications. Table 4 shows the number of complaints in which violations of Chapter 296 were cited in 2001 for each telecommunications carrier. (Some complaints with citations were received in 2000.)

Table 4: Violations of Chapter 296 (by Carrier)

Carrier	No. of Complaints
1Com	3
AT&T	6
Fairpoint Communications	2
Log On America, Inc.	53
MCI WorldCom	9
Qwest Communications	1
Sprint Communications	2

As a result of the CAD's investigation, Log On America agreed to pay a \$20,000 administrative penalty to settle all outstanding violations of Chapter 296 associated with slamming complaints received by the Commission from consumers between October 10, 2000 and November 29, 2001. Additional enforcement actions against telecommunication carriers for violations in 2001 of the Commission's slamming rule will likely take place in 2002.

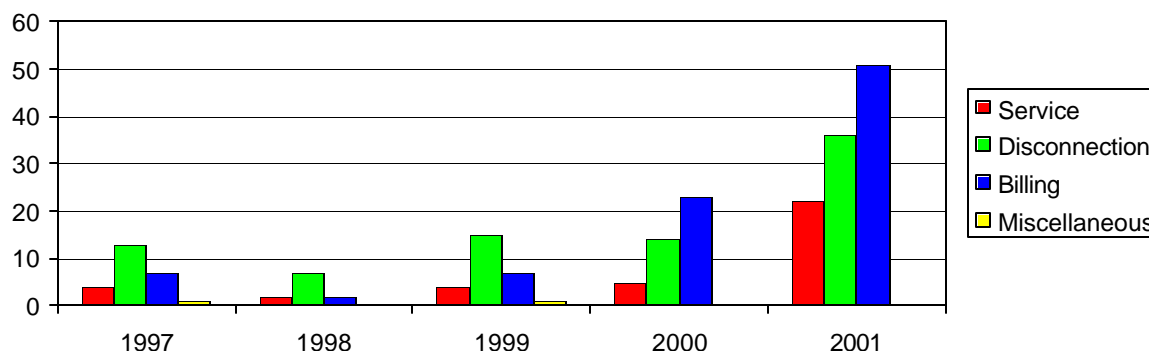
D. Natural Gas Utilities

Three natural gas utilities currently serve portions of Maine: Northern Utilities, Inc., Bangor Gas Company, LLC, and Maine Natural Gas, LLC. All 109 natural gas utility

complaints received by the CAD in 2001 were against Northern Utilities, Inc. (NUI). This was a 160% increase over the 42 complaints received against NUI in 2000, and a 300% increase over the 27 complaints received in 1999. NUI's complaint rate has increased steadily over the past four years. In 2001, NUI's complaint rate per 1,000 consumers was 4.1; in 2000 it was 1.8; and in 1999 it was 1.2.

As shown in Figure 11, NUI complaints related to billing, as well as threatened or actual disconnection, more than doubled between 2000 and 2001. The increase in complaints against NUI was due to persistent problems with billing accuracy, NUI's heavy reliance on estimates of usage rather than actual meter readings to calculate bills, and the inability of consumers to reach NUI to resolve complaints concerning credit and collection issues.

Figure 11: NUI Complaints Received (by Issue)



In 2001, the CAD received numerous consumer complaints against NUI about a billing system practice that resulted in the issuance of make-up bills for previously unbilled service, ranging from \$189.57 to \$2,521.46 for residential accounts and from \$1,150 to \$32,040 for commercial accounts. The period of time in which NUI used estimated, rather than actual, usage information in its bills ranged from 8 to 26 months for residential accounts and from 12 to 29 months for commercial accounts. Prior to receiving the back bills, consumers were unaware they were accruing obligations to NUI for unbilled service.

One issue raised by the consumer complaints is whether meters are read with sufficient frequency. Additionally, it is possible that actual meter readings taken by NUI or provided by consumers may not have been used, allowing the progression of estimated bills issued by NUI to continue. The consumer complaints appear to involve the same software problem identified in the summer of 2000. NUI's billing system rejects actual meter readings, resulting in prolonged periods during which customers are billed according to NUI's estimated, rather than actual, usage levels, and large make-up billings. Given NUI's apparent failure to correct its billing system, the Commission opened an investigation in 2002 to review NUI's billing practices.

In 2001, the CAD also became aware of call center performance problems when consumers complained they could not reach NUI by telephone. The CAD began

looking into the adequacy of NUI's response to customer calls placed to its call center for credit, collection and disconnection matters. The CAD's investigation and the number of complaints received indicate that NUI's customer-related services may not be adequate. As a result, an investigation into the adequacy of NUI's customer-related services, including its capacity to provide an adequate frequency of meter reads and to respond to large-scale outages and other service emergencies, has been proposed.

E. Water Utilities

More than 160 water utilities have been approved by the Commission to provide service in Maine. In 2001, the CAD received 69 complaints involving these utilities. Refer to the Appendix for a breakdown of complaints received by utility and issue.

F. Common Carriers

The Commission has approved nine companies to provide public ferry service on Casco Bay. No complaints against common carriers were received in 2001.

V. RULEMAKING

The CAD played a major role in three Commission rulemaking efforts in 2001. The CAD oversaw the development of rules to make electric bills more affordable for qualified low-income consumers. The CAD also contributed to the development of rules regulating electric line extensions. Finally, the CAD has taken the lead in developing rules that establish standards for billing, credit and collection, and for termination of service for telecommunications carriers.

A. Electric Lifeline Program

On July 31, 2001, the Commission adopted Chapter 314, *Statewide Low-Income Assistance Plan*. The Statewide Low Income Assistance Plan extends the availability of assistance to all qualifying consumers in the state, and apportions a greater share of the funds to the most needy areas. The rule requires each of Maine's transmission and distribution utilities to create or maintain a Low-Income Assistance Program (LIAP) for its consumers. The rule contains requirements for program design and administration, and establishes a funding mechanism for the program. The rule creates a central fund to finance the statewide plan and apportions the fund to each utility based on the percentage of Low Income Home Energy Assistance Program (LIHEAP) eligible persons residing in that utility's service territory. The Maine State Housing Authority will administer the Statewide Low-Income Assistance Plan and the individual Low-Income Assistance Programs.

B. Electric Line Extensions

On January 1, 2001, the Commission submitted a report to the Joint Standing Committee on Utilities and Energy recommending, among other things, that consistent line extension policies be adopted for electric and telephone utilities. As a result of the Commission's report, the Legislature directed the Commission to develop a consistent policy for all electric utilities by February 1, 2002. Telephone line extensions will be addressed at a later date.

The CAD played an integral role in the development of Chapter 395, *Construction Standards and Ownership and Cost Allocation Rules for Electric Distribution Line Extensions*. Chapter 395 establishes standards and certification requirements; a dispute resolution process between utilities and contractors; ownership, maintenance, and transfer of ownership conditions; energization requirements; and a cost allocation mechanism for new consumers connecting to an existing line extension.

The rule requires that: 1) all line extensions be built to National Electric Safety Code and Rural Utilities Service and other utility standards; 2) a line extension be inspected by a Professional Engineer, utility employee, or other licensed individual before being energized; 3) parties attempt to resolve disputes; 4) a private individual may own a line extension if that individual is the only consumer on the line and signs a contract with the utility; 5) a private owner pay certain costs when transferring a line extension to the utility; and 6) each consumer pays a portion of the shared line extension cost based on the proportion of the line each consumer uses.

The provisional rule, which is designed to foster competition in the construction of line extensions while protecting the safety of the public, was submitted to the Legislature for review on January 31, 2002.

C. Revised Credit and Collection Requirements for Telecommunications Carriers

The CAD has taken the lead in developing proposed rules that establish standards for billing, credit and collection, and termination of service for telecommunications carriers. Three separate rules are proposed: Chapter 290, which applies to eligible telecommunications carriers (ETCs—typically incumbent local exchange carriers); Chapter 291, which applies to non-eligible telecommunications carriers (non-ETCs—typically competitive local exchange carriers); and Chapter 292, which applies to interexchange carriers (toll carriers). These three rules will replace Chapter 81 (Residential Utility Service Standards for Credit and Collection Programs) and Chapter 86 (Disconnection and Deposit Regulations for Non-Residential Utility Services) to the extent the existing chapters apply to telephone utility services.

The first Notice of Rulemaking on the draft rules was issued February 2, 2001. A public hearing was held and written comments accepted. Because the rule was

significantly rewritten based on the comments received, a second Notice of Rulemaking was issued on December 31. The current version of the proposed rule addresses applications for service, transfer of service, billing and payment standards, payment arrangements, disconnection and termination procedures, medical emergencies, reconnection of service, dispute resolution procedures, consumer privacy, consumer rights, notification of price increases, unfair or deceptive practices, and utility reporting requirements.

It is anticipated the Commission will adopt revised rules in 2002.

VI. EDUCATION AND OUTREACH

The CAD's efforts to increase public awareness of utility issues included issuing consumer bulletins to the news media on regulatory matters and areas of concern and creating a brochure on the use of calling cards. The CAD's home page (<http://www.state.me.us/mpuc/cad/cad.htm>) includes fact sheets, brochures, consumer bulletins, "tips of the month," and annual statistical reports, and allows consumers to file a complaint regarding their utility services while on-line. As more utility services move toward competition, it is expected the CAD's educational role will continue to increase.

A. Consumer Bulletins

The CAD issued six Consumer Bulletins in 2001 to help consumers better understand a variety of telecommunication issues. Topics addressed by the Bulletins included: the steps involved in changing long distance carriers; new monthly charges for the convenience of receiving long distance charges on local telephone bills; ways to save money when using a calling card; avoiding long distance charges when connecting to the Internet; a new access number for Telecommunications Relay Services; and how to get the best long distance telephone rates. Consumer Bulletins are sent to all in-state media services (newspapers, radio, television), social service agencies, others such as the Congressional delegation and the Governor's office, and are posted on the CAD's website. A brief description of each bulletin follows.

Changing Your Long Distance Telephone Service

Issued April 27, 2001, this bulletin described the process involved in changing long distance telephone service, including the effect of preferred carrier freezes, and provided consumers with tips on how to make changing their long distance service easier.

New Charges for Receiving a Single Telephone Bill

Issued May 1, 2001, this bulletin provided information on new charges to customers of AT&T, MCI WorldCom, and Sprint. These three carriers began charging \$1.50 per month for consumers to receive their long distance charges on their local telephone bills. The bulletin explained that consumers could avoid the fee by contacting their long distance phone company and requesting a separate bill for their long distance charges.

Calls Placed with Older Calling Cards Can Be Expensive

Issued May 15, 2001, this bulletin warned consumers that calls placed with older calling cards might be more expensive than they realize if the cards are no longer covered by a calling plan. Consumers who had the same calling card for a long period of time were advised to contact their local or long-distance telephone company to obtain a new calling card at better rates. Additional suggestions were included in a new brochure titled "Calling Card Tips."

Avoid Long Distance Charges When Connecting to the Internet

Issued July 9, 2001, this bulletin warned consumers to take care when setting up software to connect to their Internet provider since some computer settings might result in the consumer paying long distance charges for what they thought was a local call.

New Access Number for Telecommunications Relay Services

Issued August 15, 2001, this bulletin advised consumers of a new three-digit number for access to all Telecommunications Relay Services (TRS) nationwide. The new number—711—joined the familiar calling shortcuts of 911 and 411. Under FCC rules adopted last year, all telecommunications carriers in the United States, including wireless companies and payphone providers, must provide 711 TRS dialing. This is a major improvement for all deaf, hard-of-hearing, and speech-disabled people and those who call people with impairments since there used to be more than 100 separate numbers nationwide for accessing relay services.

Learn All the Facts When Shopping for Telephone Service

Issued December 21, 2001, this bulletin advised telephone consumers seeking low-cost rates for long-distance calls to ask companies for the "terms and conditions" of long distance calling plans before subscribing to a plan. This will help consumers ensure they are getting the best rates possible for their in-state and out-of-state long

distance telephone calls. To avoid unexpected costs, consumers were also advised to get more information about recurring charges, call restrictions, and call destinations before agreeing to a plan.

B. Brochures

The CAD received a number of calls from consumers concerned about how much they were being charged for use of their calling cards. Complaints included higher rates than expected, unexpected surcharges and fees, and rates changing without notice. A brochure titled *Calling Card Tips* was released to take some of the mystery out of using a calling card and help consumers obtain the lowest rates possible when making calls away from home. The brochure addressed topics such as how to obtain a calling card, how to place a call either from home or a pay phone, calling card rates, what to do if consumers have a dispute involving a calling card, and other helpful information.

C. Other Outreach Activities

The CAD staff made several outside presentations in 2001. A series of four seminars were held throughout the state at the request of the Maine Rural Water Association at which information was provided to about 70 participants on credit and collection issues, liens, bankruptcy, landlord/tenant issues, private power lines, applications for service, disconnection requirements, and meter testing.

Assisting utilities with the interpretation of Commission rules is another component of the CAD's outreach effort. The CAD often assists utilities by reviewing their credit and collection procedures to ensure they are reasonable and in compliance with Commission rules, and to ensure that service-related procedures are handled in a uniform, fair, and reasonable manner.

For example, the CAD has provided advice to water utilities on how to separate consumers served off a single service line and charged at flat rates. Many of the consumers were served from a private line that ran from house to house. One option was to install a meter pit, but then there would be no way to turn off one consumer without turning off all consumers. A related problem was that if individual meters were installed, the water utility would become the owner of a private line that was not installed to current standards. As a solution, the CAD suggested that either the water utility require separate services for each consumer so they could be individually metered, or that the consumers form an association and be master metered.

The CAD responds to utility requests for assistance in dealing with their more complex consumer issues. This often means providing advice on how to proceed with disconnection or a collection action related to accounts with high balances, life support equipment, and issues other than non-payment such as failure to repair service lines, bankruptcy issues, master-metered units, and line extensions. For

example, a low-income consumer needing electric service due to a medical condition was unable to afford a line extension. The CAD negotiated an agreement with the electric utility and the town to obtain service for the consumer. The CAD also assists utilities in drafting forms for disconnection, payment arrangement confirmations, and deposit disclosure statements.

VII. LOOKING FORWARD TO 2002

The CAD expects its workload to continue to expand in 2002 due largely to the increasing number of complaints received from consumers. The number of complaints received increased each of the first three months in 2002 compared to the same months in 2001—which itself was a record-breaking year for complaints received. Complaints received in 2002 increased 40% in January, 60% in February, and almost 200% in March over the number received in the same month in 2001.

The increase in complaints may be due in part to the CAD being more accessible to consumers. Over the past few years, the CAD has worked to increase the public's awareness of the assistance available to them when they have a dispute with a utility. Other factors contributing to the increase in complaints include increased competition in the local and long distance telecommunications markets and an increase in the number of service options available to consumers. This is reflected in the increased complaints against telecommunications carriers.

Complaints against interexchange carriers for unauthorized changes in telecommunications service ("slamming") have increased dramatically in the first few months of 2002. In 2001, a total of 337 slamming complaints were received. In just the first three months of 2002, the CAD received 217 slamming complaints. The increase in telecommunications complaints also reflects a 40% increase in the number of complaints against Verizon from customers with credit and collection issues.

The CAD also expects to increase its enforcement activity against slamming and other violations of Commission rules in 2002. The CAD opened formal investigations of several utilities in early 2002, and expects to open several more as the year progresses.

The investigation of slamming complaints is very time consuming. The CAD expects to review the resource implications of this increasing workload to ensure that the needs of consumers are met.